



News release

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KB HOME AND SHAW FORM JOINT VENTURE TO BUILD NEW HOMES IN LOUISIANA

DECEMBER 6, 2005, NEW ORLEANS, LA. - KB HOME (NYSE: KBH), one of the nation's premier homebuilders, and The Shaw Group Inc. (NYSE:SGR), a world leader in engineering and construction, announced today the formation of KB HOME/Shaw Louisiana LLC, a joint venture to build housing for Louisiana's future.

The joint venture will pursue the building of new homes in Louisiana with the goal of providing permanent housing and increased economic development to Louisiana in the aftermath of the two devastating hurricanes in the state. KB HOME/Shaw Louisiana envisions this venture will generate a significant amount of work in Louisiana over the next few years.

J. M. Bernhard, Chairman and Chief Executive Officer of Shaw, stated, "As part of our continued commitment to the full restoration of Louisiana, we are pleased to partner with KB Home to build quality residential homes in our state. This is the first new residential construction program to be announced in Louisiana since Hurricane Katrina came ashore. We believe that this is very exciting news and an important milestone in the recovery of Louisiana. This joint venture is designed to provide desperately needed new homes to stricken areas and will attract a broad demographic range of homeowners, which is vital to the recovery of our state. We are proud to partner with KB Home, a homebuilder with an outstanding reputation for architectural innovation and superior customer service to home buyers. We welcome them to Louisiana."

"I'm extremely pleased that KB Home has joined forces with Shaw to assist with the rebuilding of Louisiana," said KB Home Chairman and CEO Bruce Karatz. "While there are substantial challenges ahead of us, we believe KB Home's extensive experience in quality homebuilding, combined with the engineering and construction expertise of The Shaw Group and their familiarity with their home state of Louisiana, can make a significant and positive difference in people's lives and bring people home to this great state."

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KB Home/Shaw Group Joint Venture

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Heading the joint venture from KB Home is New Orleans native and KB Home veteran Steve Davis. As the Gulf Coast Region President, Davis' duties will include overseeing land acquisition and development, construction, purchasing, customer service, sales and marketing. A 21-year veteran of the homebuilding industry, Davis was most recently KB Home's Regional General Manager for the Southeast. He has also served as Phoenix division president and Arizona regional general manager.

Representing Shaw in the joint venture management is David Landers, Vice President of Shaw. Landers is a senior executive with Shaw, with 25 years of broad business experience. A native of Louisiana, Landers has spent much of his professional career in the state.

About KB Home

Building homes for nearly half a century, KB Home is one of America's premier homebuilders with domestic operating divisions in some of the fastest-growing regions and states: West Coast—California; Southwest—Arizona, Nevada and New Mexico; Central—Colorado, Illinois, Indiana and Texas; and Southeast—Florida, Georgia, Maryland, North Carolina, South Carolina and Virginia. Kaufman & Broad S.A., the Company's publicly-traded French subsidiary, is one of the largest homebuilders in France. In fiscal 2004, the Company delivered homes to 31,646 families in the United States and France. KB Home also offers complete mortgage services through Countrywide KB Home Loans, a joint venture with Countrywide Financial Corporation. Founded in 1957, and winner of the 2004 American Business Award for Best Overall Company, KB Home is a Fortune 500 company listed on the New York Stock Exchange under the ticker symbol "KBH." For more information about any of KB Home's new home communities, call 888-KB-HOMES or visit <http://www.kbhome.com>.

About Shaw

The Shaw Group Inc. is a leading global provider of technology, engineering, procurement, construction, maintenance, fabrication, manufacturing, consulting, remediation, and facilities management services for government and private sector clients in the energy, chemical, environmental, infrastructure and emergency response markets. Headquartered in Baton Rouge, Louisiana, with over \$3 billion in annual revenues, Shaw employs approximately 20,000 people at its offices and operations in North America, South America, Europe, the Middle East and the Asia-Pacific region. The Company was recently named to Fortune magazine's annual list of "America's Most Admired Companies" for the second consecutive year. For further information, please visit Shaw's website at www.shawgrp.com.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for certain forward-looking statements. The statements contained herein that are not historical facts (including without limitation statements to the effect that the Company or its management "believes," "expects," "anticipates," "plans," or other similar expressions) and statements related to revenues, earnings, backlog, or other financial information or results are forward-looking statements based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting the Company will be those anticipated by the Company. These forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions and are subject to change based upon various factors. Should one or more of such risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in the forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. A description of some of the risks and uncertainties that could cause actual results to differ materially from such forward-looking statements can be found in the Company's reports and registration statements filed with the Securities and Exchange Commission, including its Form 10-K and Form 10-Q reports, and on the Company's website under the heading "Forward-Looking Statements". These documents are also available from the Securities and Exchange Commission or from the Investor Relations department of Shaw. For more information on the company and announcements it makes from time to time on a regional basis visit our website at www.shawgrp.com or www.kbhome.com